

EXTRACT FROM THE UNCONFIRMED MINUTES OF THE SPECIAL COUNCIL MEETING OF BITOU LOCAL MUNICIPALITY HELD IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES, PLETTENBERG BAY, ON THURSDAY, 11 JUNE 2020 AT 12H01

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ITEM C/2/181/06/20

ANNUAL BUDGET 2020/21 – 2022/23

Directorate:

Financial Services

Demarcation: All wards

Portfolio Comm:

Finance & Engineering

Delegation: Council

File Ref:

5/1/1/6

Resolved

1. The Council of the Bitou Local Municipality, acting in terms of Section 24 of the Municipal Finance Management Act (Act 56 of 2003), consider to approve and adopt the annual budget as set out on Annexure B.:
 - a. The Annual Budget of the municipality for the 2020/21 financial year and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.a.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
 - 1.a.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.a.3. Budgeted Financial Performance (revenue by source and expenditure by type)
 - 1.a.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source .
 - 1.a.5. The financial position, cash flow Budget, cash-backed reserve/accumulated surplus, asset management and the Final Draft basic service delivery targets are approved as set out in the following tables:
 - 1.a.6. Budgeted Financial Position
 - 1.a.7. Budgeted Cash Flows
2. The Council of Bitou Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) consider to approve and adopt the tariffs for property rates, the tariffs for electricity, the tariffs for the supply of water, the tariffs for sanitation services, the tariffs for solid waste services as set out in Annexure C;
3. The Council of Bitou Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) consider to approve and adopt the tariffs and fees for other services, as also set out in Annexure C;

4. The Council of Bitou Local Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts Budget related policies as set out in Annexure F;
 - a. *Borrowing Policy and guidelines*
 - b. *Petty Cash Policy*
 - c. *Credit Control & Debt Collection Policy*
 - d. *Tariff Policy*
 - e. *Liquidity, Funding and Reserves Policy*
 - f. *Supply Chain Management Policy for Goods & Services*
 - g. *Investment & Cash Management Policy*
 - h. *Asset Management Policy*
 - i. *Property Rates Policy*
 - j. *Indigent Support Policy*
 - k. *Budget Implementation and Monitoring Policy*
 - l. *Travelling Allowance Policy*
 - m. *Overtime Policy*
 - n. *Infrastructure Procurement & Delivery Policy*
 - o. *Subsistence and Travel Allowance Policy*
5. That cash backing be implemented through the utilisation of a portion of the realisable accumulated surplus as at the end of the financial year to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
6. **That the credit control and debt collection policy be clear on which act (in this case Systems Act) and Sections of the Act;**
 - 6.1 Paragraph 7.6.2 should read as follows:**
 - **That a standard dispute procedure be developed and published**
 - **The dispute must be submitted within thirty (30) days of the account. If a dispute is raised after this period, it will be treated as an enquiry, the account will not be suspended and normal credit control procedures will apply.**
 - **The dispute must relate to a specific amount on the account. Amounts not in dispute must be paid in full. If the amounts not in dispute remains unpaid, services may be disconnected.**
 - **The relevant department will investigate and inform the debtor within one month of the outcome of the investigation.**
 - **Failure to make such agreed interim payment or payments will result in the consumer forming part of the normal credit control procedures.**
7. **Taking into account the inclining block tariffs and the Covid 19 impact on the people Auxiliary service on the 50:50 rather than scraping it completely we should rather introduce a clause which reads as follows or replace the current clause with the following clauses:**

Page 56. 8.9.1

- (i) That council may deduct 10% to 50% of electricity purchases amount to settle 90 days and more of unpaid rate and services debts from 10% escalating with 10 % per number of months in arrears up but not exceeding 50% escalation.
- (ii) Education program on consolidated accounting and inclining block tariffs be implemented

Page 57. 9.2.1 Procedure on unpaid account:

(i) When account has not been paid by the due date the following must apply

1. Data per each debtor be captured per ward and final notice be issued via phone call or sms or email whichever is applicable to the debtor.
2. The amount due must be paid within the 7 days of the final notice and failure which on the 14th day service interruption must apply as per 9.3.2 of the credit control policy.
3. Assessment of each account be done before the service interruption is implemented by sending designed official or CDW's.
4. The Ward/PR Councillor be informed of defaulting debtors following the issuing of the statutory notice for the Owner/ Occupant.

On page 64. 3.2

The Council may:

- Consolidate any separate accounts of persons liable for payment to the Council.
- Credit a payment by such person against any account of that person.
- Implement any of the debt collection and credit control measures in relation to any arrears on any of the accounts of such a person.

On page 67 2.1

Arrangements on household consumers according to monthly income.

Deposits

1. R3 501 - R 5 000 = 2% of the monthly household income as arrear installment
2. R 5001 - R 7 500 = 3% of the monthly household income as arrear installment
3. R 7 501 - R10 000 = 5% of the monthly household income as arrear installment
4. R10 000 and More = 10% of the monthly household income as arrear installment

Proposed: Councillor M M Mbali

Seconded: Councillor S E Gcabayi

To be Actioned by: Manager: Budget and Financial Reporting
Manager: Revenue Services
Director: Financial Services

The following Councillors recorded their vote AGAINST the resolution:

Councillor A R Olivier, Councillor J N Kamkam, Councillor A S M Windvogel, Councillor N Ndayi, Councillor D J Swart, Councillor W J Nel,